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RECORDATION NO. 25942 FILED
NOV 01 '05 2-38PM
SURFACE TRANSPORTATION BOARD

October 31 2005

New Recordation No.

Dear Mr. Williams:

On behalf of Flex Leasing I, LLC, I submit for filing and recording under 49 U.S.C. § 11301 (a) and the regulations applicable thereunder, executed counterparts of a primary document, not previously recorded, entitled Memorandum of Lease ("Lease") dated as of October 31, 2005.

The parties to the enclosed Lease are:

Flex Leasing I, LLC - LESSOR
Suite 730
221 Main Street
San Francisco, CA 94105

Paducah and Louisville Railway, Inc. - LESSEE
1500 Kentucky Ave.
Paducah, KY 42003

The said Lease, among other things, acts to lease the equipment listed in Annex A thereto by the Lessor to the Lessee and should be recorded under a new number.

The equipment covered by the instant Lease is as identified in Annex A thereto, namely 20 gondola cars, PAL 248000 - 248019, all formerly identified under certain SMPX numbers and some also formerly identified under BNSF numbers.

A short summary of the Lease to appear in the Surface Transportation Board Index is as follows:

"Lease of 20 gondola carss, PAL 248000-248019, all formerly certain SMPX numbers and some also formerly under BNSF numbers, see Annex A."

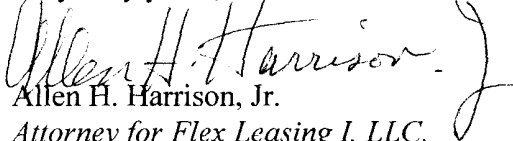
Please enter under this Recordation No. the following cross index reference:

"See Recordation No. 21888-DD."

Enclosed is a check in the amount of sixty-six dollars (\$66.00) in payment of the filing fee (\$33.00) and the cross indexing fee (\$33.00)..

Once the filing has been made, please return to bearer the stamped counterpart(s) of the document not required for filing purposes, together with the letter from the Surface Transportation Board acknowledging the filing, and the two extra copies of this letter of transmittal.

Very truly yours,


Allen H. Harrison, Jr.
Attorney for Flex Leasing I, LLC,
for the purpose of this filing.

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

Enclosures

BY HAND

8212-020

PAL #s	Prior SMPX #s	Prior BNSF#
<u>248</u> 000	8066	
001	8075	
002	8041	
003	8062	
004	8268	517007
005	8069	
006	8274	517013
007	8021	
008	8280	517019
009	8001	
010	8008	
011	8024	
012	8048	
013	8058	
014	8028	
015	8264	517003
016	8078	
017	8068	
018	8067	
<u>248</u> 019	8054	

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MEMORANDUM OF LEASE

SEAL OF THE BOARD OF TRANSPORTATION

FLEX LEASING I, LLC, a Delaware limited liability company ("Lessor"), having its chief executive office at 221 Main Street, Suite 730, San Francisco, California 94105, as successor lessor by assignment from Flex Leasing Corporation, a Delaware corporation ("Flex"), having its chief executive office at 221 Main Street, Suite 730, San Francisco, California 94105, is a party to a certain (unfiled) lease agreement dated as of December 1, 2004 (the "Lease") with **PADUCAH AND LOUISVILLE RAILWAY, INC.** ("Lessee"), having its chief executive office at 1500 Kentucky Avenue, Paducah, KY 42003, covering the railcars listed on Annex A attached hereto.

Dated as of October 31, 2005**FLEX LEASING I, LLC**

Janice M. Wickham
Name: Janice M. Wickham
Title: Vice President

STATE OF NEW YORK)
) ss:
COUNTY OF NEW YORK)

On this 31st day of October, 2005, personally came before me, Janice M. Wickham, who, being by me duly sworn, says she is a Vice President of Flex Leasing I, LLC and that said writing was signed on the date hereof by her on behalf of said company by its authority duly given. The said Vice President acknowledged the execution of the said writing to be the act and deed of said company.

Witness my hand and notarial seal this 31st day of October, 2005.

SEAL

Richard D'Annunzio
Notary Public
My Commission Expires: _____

RICHARD D'ANNUNZIO
Notary Public, State of New York
No. 43-4693159
Qualified in Richmond County 07
Commission Expires March 30, 2007

ANNEX A

Description of Equipment

Twenty (20) 66'-5'6" sided mill gondola cars, numbered:

PAL 248000 through PAL 248019 inclusive

[Paducah and Louisville Railway, Inc.]

PAL #s	Prior SMPX #s	Prior BNSF#
<u>248</u> 000	8066	
001	8075	
002	8041	
003	8062	
004	8268	517007
005	8069	
006	8274	517013
007	8021	
008	8280	517019
009	8001	
010	8008	
011	8024	
012	8048	
013	8058	
014	8028	
015	8264	517003
016	8078	
017	8068	
018	8067	
<u>248</u> 019	8054	